



August 6, 2019

IGAU/SECT/08-19/06

To
National Stock Exchange of India Limited
Exchange Plaza, C - 1, Block G
Bandra Kurla Complex
Bandra - (E)
Mumbai - 400 051

To
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Symbol: INDIGO

Scrip Code: 539448

Sub: Disclosure pursuant to sub-regulation (1) of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Dear Sir(s),

Pursuant to Regulation 30 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the Board of Directors of InterGlobe Aviation Limited ("Company") has received a letter dated August 5, 2019 from Mr. Rakesh Gangwal, a copy of which has also been sent to the SEBI, the Ministry of Corporate Affairs, and BSE and NSE.

Subsequently, the Chairman of the Board of Directors of the Company, Mr. Meleveetil Damodaran has sent an email to the Directors. We are attaching a copy of the letter dated August 5, 2019 from Mr. Gangwal alongwith a copy of the email sent by the Chairman to the Directors.

Mr. Gangwal has stated in his letter of August 5, 2019 that he has set up a website to update "relevant information" as needed. Please note that this website has not been approved or authorized by the Company and no reliance should be placed on the contents of this website as it may contain incomplete and therefore misleading information.

The Company has also received an email from the SEBI advising the Company to provide our comments to the letter of Mr. Gangwal, with which the Company will comply.

For InterGlobe Aviation Limited



Sanjay Gupta
Company Secretary and Chief Compliance Officer



Sanjay Gupta (CEO's Office,ISC)

From: Meleveetil Damodaran <meleveetil.damodaran@gmail.com>
Sent: Monday, August 5, 2019 10:28 PM
To: rgangwal
Cc: anupam53; Rahul Bhatia - MD IGE; Rohini Bhatia; Anil Parashar; Ronojoy Dutta; Sanjay Gupta (CEO's Office,ISC)
Subject: Re: AGM Meeting

Dear Colleagues,

This has reference to Mr Rakesh Gangwal's email of 5th August, in the context of the forthcoming Annual General Meeting.

At the outset, let me quote from his mail indicating the areas of agreement.

" For those still following this saga, here is where we are today. We have agreement on all the contractual language for (I) the new RPT policy (ii) the Board size and composition and (III) closing the large loophole during the transition period. The only agreement we do not have is to close the large loophole after the transition period"

Allow me to address what is seen as the remaining issue. To recap what I had stated earlier, the first vacancy to be filled after the amendment of AoA, will be filled by a Woman Independent Director. The second vacancy to be filled will be by a Wholetime/Executive director.(This is necessary since we presently have 6 NEDs, including 2 IDs, and no Wholetime/Executive director.) The third vacancy will be filled by an ID, and the fourth by an IGE nominee. That is the sequence contemplated. In the event of the position of an ID falling vacant, the NRC, headed by Dr Anupam Khanna, ID, will be required to take steps to fill in the vacancy. The fear that, in the interim, the IGE group will push through questionable decisions, does no credit to the IDs that will be on the Board, or to the fiduciary responsibilities of the directors including those nominated by the IGE group.

I am separately initiating a proposal for scheduling meetings of the AC, the NRC , and the Board, immediately after the AGM. At that meeting of the AC, followed by a meeting of the Board, the RPT policy will be cleared. At the meeting of the NRC, the selection of the Woman Independent Director will be addressed. I trust the approach, indicated in the foregoing paragraphs, is clear . May I add that I personally have no inclination to get into a continuing exchange of emails?

Warm regards,
Damodaran

On Mon, Aug 5, 2019, 7:59 AM Rakesh Gangwal <rgangwal@gmail.com> wrote:

Dear Directors,

Please see attached letter which speaks for itself.

Rakesh

Dear Directors of IndiGo,

August 5, 2019

I recognize the timing constraints and the need to call an AGM. However, many emails were exchanged after our Board meeting of July 20, 2019 and based on serious unresolved issues, I again reiterate that I am no longer in a position to vote affirmatively on the special resolution for "Alteration in Articles of Association of the Company", unless, as discussed in numerous emails, (i) a complementary Board resolution is passed to prevent IGE Group from getting even more rights and abilities than they have today and (ii) the new RPT policy is adopted, language for which has already been agreed.

The AGM notice, along with "unnamed sources" having planted press reports that the Chairman has brokered peace and matters have been resolved, leaves a misleading and false impression that issues on RPTs and changes to the Articles have the support of both promoter groups. This is in stark contradiction to the numerous emails exchanged since July 20, and my July 27th email to Board members stating that I am "... *unable to support the resolution in the absence of the complementary Board resolution on the Articles and the RPT policy*". In light of my email and in my view, the Chairman should have directed the Company to flag this material fact in the AGM notice in the interest of transparency and for the benefit of the minority shareholders.

On July 26, Dr. Anupam Khanna, Independent Director, also voiced concerns by writing, "*Suffice it to say, as attested by the email exchanges over the past week, the board decision(s) also provided for:*

*1) a resolution (to be approved by circulation) related to the Articles of Association.
2) complete package agreement comprising resolution of both the RPT issue and the AoA revision. An incomplete communication would be misleading to shareholders. Moreover, contextual information is also very important in this regard. We have generated considerable email traffic in our efforts to resolve the issues and rushing something to print before the process is complete also calls into question whether the those discussions have been in good faith."*

- At the July 20 Board meeting, based on the Chairman himself proposing a "package", we agreed to (i) a framework of a new Board composition and (ii) adopt a new RPT policy.
- Specific language on the changes to the Articles and the new RPT Policy was not presented at the Board meeting, and the Chairman verbally summarized the Board's understanding of its discussions and we agreed. And, we also agreed to finalize the resolution language and pass it by circular resolution in the next few days.
- After much back-and-forth, we did reach final agreement on the language for the new RPT Policy. However, it is yet to be sent out for Board adoption.
- Changes to the Articles are still an open issue. In prior Board meetings we had significant discussions on different Board sizes. However, a Board size of 10 came up only at the July 20 Board meeting with limited and rushed discussions on its implications, a point that has been

well documented by Dr. Khanna. To progress matters and with my strong view to have a higher percentage of independent directors on the Board, I offered not to have any additional Gangwal group representative on the Board and agreed to the addition of 2 new IGE Group members and 2 new Independent Directors.

- Subsequent to the Board meeting and in finalizing the language on the Articles, all of us realized that the proposed Board structure created a large loophole that gives the IGE Group additional powers that they do not have today. Essentially, when there are less than 4 independent Directors, it would allow the IGE Group to pass any Company policy that they want just on the basis of their Board numbers being larger than all the other Board members combined.
- Once this concern was flagged, phone calls and numerous email discussions morphed into having a separate Board resolution to address this issue such that it would complement the changes to the Articles. I went along with this suggestion since it was well understood that this Board resolution would be integral to the changes being proposed in the Articles.
- On July 24, IGE Group proposed that appointment of their nominee Directors would not precede the appointment of independent Directors. Thankfully, IGE Group's proposal acknowledges the governance problem and, at least, addresses this large loophole issue during the Board ramp-up transition period.
- However, IGE Group has steadfastly refused to close this large loophole after the transition period. It is inevitable that in the future, there will be periods of a few months when we will have less than 4 independent Directors (retirements, resignations, etc.). And, for these situations we have not resolved the governance loophole.
- On July 26, the Chairman in an email said "*Subsequent to the Board meeting, and the decisions taken therein, emails were exchanged to suggest that all the IGE nominations to the Board should not precede the appointment of IDs. While this may be worked out by discussions, there is no final view available on this. After a final view, acceptable to all, emerges and is articulated in writing, the approval of the Directors can be obtained by circulation. To my mind, this sequencing is not required to go to the shareholders*". Simply said, we are not in agreement with the Chairman's new sequencing idea.
- **The full Board, including the Chairman, agreed on a package deal for RPTs and Board size that would be finalized at the same time. Instead, now, there's a suggestion from the Chairman to get shareholder approval for a Board of 10 Directors (IGE Group with 5 Directors), with the large loophole, while we try and get "*a final view acceptable to all*" sometime later. As for the agreed upon RPT policy ... there is only silence on when or if it gets adopted by the Company. This was not our agreement at the Board meeting and after the Board meeting.**

- Seeking shareholder approval for the new Board size without closing this large loophole is governance negligence and tramples on the rights of minority shareholders.
- On July 27, I wrote an email stating that if some Directors pushed ahead with the resolution on the Articles, without resolving the open issues, I would be *"... communicating to shareholders and others my reasoning as to why I am unable to support the resolution ... that the Chairman had offered as a package. ... To not do so would be tantamount to misrepresentation and would be misleading our shareholders ..."*
- On July 29, Dr. Khanna wrote to the Chairman saying *"You may recall the draft of the resolution proposed in the agenda circulated for the Board meeting on July 19-20th included just a minor change (dropping the number 6) from the existing AoA clause. It is a far cry substantively from the language proposed for shareholder approval at the AGM. The first time we saw a concrete proposal was in an email on July 21st, the day after the Board meeting (*) and this was commented upon in the email exchange that followed for a couple of days. Rahul insisted (July 21st) and you and Rakesh confirmed that there must be simultaneous agreement on the two resolutions. As late as July 23rd, the Corporate Secretary was pleading for the final language on the AoA. Thus, as far as I can tell, the Board had not (and still has not) signed off on a decision. Indeed, resolutions on both the contentious matters have yet to be circulated to us for approval/decision."*
- For those still following this saga, here is where we are today. We have agreement on all the contractual language for (i) the new RPT policy; (ii) the Board size and composition; and (iii) closing the large loophole during the transition period. **The only agreement we do not have is to close the large loophole after the transition period.**
- It appears that the IGE Group may be hoping that at the upcoming AGM (i) they can get the Articles changed and get 5 nominee Directors; (ii) they benefit from a large loophole in corporate governance; and (iii) by not approving now, the agreed upon terms on the RPT policy, they would have the opportunity to rework and dilute the agreed upon RPT policy after the AGM.
- Regrettably, we are hostages to the current situation. However, we must meet the statutory requirement of bringing onboard an independent woman director.
- To break this impasse, I suggest that the Chairman have a Board resolution passed (he is the tie breaker in a vote) to raise our Board size to 7 and allow for the addition of an independent woman director and then issue a resolution as a corrigendum to the AGM with the 7 Director option to alter the Articles. Due to how the math and SEBI rules work, a 7 Director Board will close the large loophole automatically.
- Now, our shareholders can choose from one of the two options with respect to changes to the Articles; either a (i) Board size of 10 Directors, with the large loophole, or a (ii) Board size of 7 Directors, without the large loophole. We should also immediately put in place the

agreed upon new RPT policy. All this can be done very quickly, if we are interested in resolving the impasse.

- Under the scenario that IGE Group blocks this resolution, we deservedly need SEBI to intervene and make us add an independent woman director, resulting in a Board size of seven.

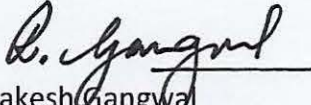
Regrettably, IGE Group is holding the process hostage. We have agreements on all issues, including closing the large loophole during the Board ramp up transition period. However, IGE Group has not offered to close the large loophole after the transition period.

Too much angst has been felt by many and we have come a long way to resolve these matters. The current impasse is not good for any of us. The best option is to close the large loophole, circulate the Board resolutions for approval on all the other matters, language for which has already been agreed upon.

Please recognize that this letter is highly relevant from a share price perspective and should be uploaded on the exchange portals as soon as possible and certainly no more than 24 hours from receiving it. We have already been questioned for lapses on this issue previously.

In closing, let me also mention that I have set up a website GovernanceIndia.com where I will upload relevant information, as needed, and also address false narratives planted in the press by “unnamed sources” who hide behind a veil.

With warm regards,


Rakesh Gangwal

- cc: 1. Securities and Exchange Board of India, Mumbai
2. Ministry of Corporate Affairs, New Delhi
3. BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai